

Medical Care Advisory Council

Minutes

Date: November 16, 2006

Time: 1:00 – 4:30 p.m.

Where: Medical Services Administration
Capitol Commons Center
Lower Level, Rooms E & F

Attendees: Pat Anderson, Lonnie Barnett, Bruce Bragg, Jackie Doig, Andy Farmer, Steve Fitton, Mike Head, Jennifer Hendershot, Dave Herbel, Jan Hudson, Ed Kemp, Dave LaLumia, Gary Ley, William Mayer, Elizabeth Nettleman, Neil Oppenheimer, Paul Reinhart, Paul Shaneen, Jay Slaughter, Sarah Solcum, Walt Stillner, Jocelyn Vanda, Larry Wagenknecht, Harvey Zuckerberg

Conference Call None

Attendees:

The November 16, 2006 meeting of the Medical Care Advisory Council was called to order by Chairperson, Jan Hudson. Jan welcomed the group and asked that members, guests and staff to introduce themselves.

Office of Long Term Care Supports and Services

Mr. Mike Head, the newly appointed Director of the Office of Long Term Care Supports and Services, presented an overview of the newly created Office. Mr. Head indicated that the Office and the Michigan LTC Supports and Services Advisory Commission were both established by Executive Order 2005-14. Mike also spoke about the Governor's LTC Task Force and its June, 2005 Task Force recommendations. The duties of the Office of LTC include the following;

- Administer activities to implement the recommendations of the Task Force
- Coordinate state planning for LTC supports and services
- Review and approve LTC supports and services policy formulated by state departments and agencies for adoption or implementation
- Conduct efficiency, effectiveness, and quality assurance reviews of publicly funded LTC programs
- Identify and make recommendations to the department Director regarding opportunities to increase consumer supports and services
- Prepare an annual report for the Director and Governor on the progress of implementing the recommendations of the Medicaid LTC Task Force
- Oversee the implementation of the Single Point of Entry demonstration programs

Following the presentation regarding the functions of the Office of LTC Supports and Services, Mike presented on the Single Point of Entry, Real Choice Systems Change Grants, Self Determination in LTC, and Aging & Disability Resource Center Grants. Mike indicated that there needed to be a re-balancing of the funding of the LTC system to begin to shift funding from the traditional institutional nursing home setting to the community based provider settings. Mike also indicated that we "need advocacy" to begin to have the public debate on the re-balancing and funding for LTC services and supports.

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Paul spoke to the fact that Mike and his staff are leveraging grant funds for these new initiatives. The availability of suitable housing was mentioned as a key issue for those wishing to transition back into the community.

Post Election Update

Jan provided an update on the outcome of the election, including which proposals passed, which ones were defeated, and the need to educate the new house and senate members on the value of the Medicaid program and the existence of the Medical Care Advisory Council. It was decided that Jan would draft and circulate a key issues paper to the Council members to be sent to legislators, and that she would invite the new Chairpersons of the various health and budget sub-committees to the next meeting.

Michigan 1st Healthcare Plan

Steven Fitton presented an update on the status of the Governor's Michigan 1st Healthcare Plan for the Council. Steve indicated that the Plan is pretty much the same as last presented to the Council. However, there have been many stake holder meetings held over the last several months. There has been a universal positive reaction to the draft plan, by providers, advocates and the public. The plan is targeted to cover the uninsured with a basic/no frills coverage for individuals and families at or below 200% of poverty.

There was some discussion regarding the role the Council could play in supporting the Waiver; however, members expressed their frustration in the fact that they would like to take a position on the Waiver but need more detail about the proposed program. After much discussion it was decided that Paul and Steve would get the members a draft expanded concept paper ASAP and that a separate MCAC "stakeholder" meeting would be scheduled.

Deficit Deduction Act

Jacqueline Coleman, Pharmacy Policy specialist for MSA was asked "where is the Department on reimbursing AMP (Average Manufacturers Price) for generic drugs?" Jacqueline indicated that the Department is in the process of researching the use of average manufacturer price for generic drugs. Currently the Department's maximum allowable costs for some drug products are below the federal upper limit for those same drug products.

Citizenship

Logan Dreasky, Manager of the Medicaid Eligibility Policy Section within Medicaid gave an update on the status of the DRA/Citizenship provision. This provision requires the local DHS worker to verify both individual identity and United States citizenship before Medicaid eligibility can be granted. The Department is hoping to achieve much of the documentation through data matches. Logan reported that the Department would be issuing draft policy on the provision for comment in December. The final policy and local DHS worker procedures will be effective April 1st, 2007. The Department is also continuing the policy of deeming newborns, born to Medicaid-eligible mothers, Medicaid eligible for their first 12 months. Documentation would then be required for continuing eligibility.

Policy Updates

Ed Kemp presented on the status of the Plan First, Family Planning Waiver. As of November, there were 19,250 women enrolled in Plan First. Applications are averaging about 1,200 per week and more than \$500,500.00 in claims have been paid for Plan First services. Ed also discussed the recent physician fee increase of 47 percent for targeted preventive medicine and specific newborn codes.

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FY 08 Budget Update

Paul presented a brief budget update indicating that MSA closed its FY 06 budget on a "Positive" note, including only an .8 percent per person increase. However FY 07 and FY 08 may not be as positive. Current revenue trends for FY07 are not tracking with previous projections, and with the replacement of the Single Business Tax looming, state agencies may be looking at General Fund reductions for FY08. Paul reported that with a 2% projected caseload growth, no provider fee increase and current program and service levels, Medicaid needs a base FY 08 general fund increase of \$200 M to maintain current program levels. Paul also indicated that CMS may again try to phase down the current provider tax rates. Congressional efforts are underway to stop CMS.

Section 1735 of PA 330

This section of boilerplate requires a study of a preferred provider program for durable medical equipment, orthotics, and prosthetics. Paul expressed a willingness to have everyone interested participate in the committee, which is only required to study the issue, not take action.

CHAMPS and Bridges Updates

Jay Slaughter presented an overview of the Department of Human Services' efforts and program design for their new eligibility determination system. The new system, called Bridges, is for all DHS programs including Medicaid. It will be critical that Bridges interface well with the Department of Community Health's new automated billing system, CHAMPS, (Community Health Automated Medicaid Payment System). Jay presented a detailed description of the new CHAMPS systems, its new "Bells and Whistles" and time frame for provider enrollment, capitated payments, Fee for Services claim payments, miscellaneous payments and claims encounter processing. CHAMPS will be replacing the 30 year old Medicaid payment system and bring much needed new technology into MSA.

MCAC Administrative Issues

Jan asked Council members to think of ways that, as a group, it can be more helpful to the Medicaid Director. One suggestion included the development of a process to communicate innovative ideas; another was the importance of conveying to the public the value of the Medicaid program.

Jan asked if there were any MCAC members interested in being the Chairperson for 2007. Since no one volunteered, she agreed to continue as chair. Jan also suggested, with the Council support, that the future meetings for next year to be in the months of February, May, August and November.

Meeting adjourned at 4:45 pm.